

# Exhibit B

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2 \*\*\* C O N F I D E N T I A L \*\*\*

3 AMERICAN ARBITRATION ASSOCIATION  
4 NEW YORK, NEW YORK - COMMERCIAL RULES  
5 Arbitration No. 13 148 Y 00384 09

6 -----x  
7 CALIBRE FUND, LLC,  
8 Claimant,

9 -VS.-

10 J. EZRA MERKIN AND GABRIEL CAPITAL  
11 CORPORATION,  
12 Respondents.

13 -----x  
14 Dechert LLP  
15 1095 Avenue of the Americas  
16 New York, New York  
17 November 18, 2010  
18 9:35 a.m.

19  
20  
21 B E F O R E:

22 WILLIAM L.D. BARRETT, ESQ. - The Chairman  
23 JAMES M. RHODES, ESQ. - Panel Member  
24 MARK LONDON, ESQ. - Panel Member  
25

Amy Klein Campion - Hearing Reporter

<p style="text-align: right;">988</p> <p>1 Merkin - Cross - Confidential 2 made off with the money. 3 "Question: You were doing a pun 4 on words essentially? 5 "Answer: Yes, I mean, it's just 6 the way... 7 "Question: It was your thought 8 process at that point? 9 "Answer: Yeah, and just the way 10 I look at things. I basically feel 11 that there are many indicators, 12 tangential indicators. For example, 13 Madoff was in the Lipstick Building. 14 Lipstick is a way of a woman 15 disguising what her lips really look 16 like. 17 "So, to me, like if someone says 18 the Lipstick Building. I say well, 19 why are they in the Lipstick Building. 20 "If you put Madoff's name on 21 your machine, the spellcheck says this 22 is no name at all. I mean, I put my 23 name in it, there are names like my 24 name in it. 25 "So to me, I know this may sound</p>	<p style="text-align: right;">990</p> <p>1 Merkin - Cross - Confidential 2 discussions and they certainly declined in 3 number over time. 4 The last one I remember prior to 5 the December 11, 2008 period was a number 6 of years prior to that in which he sort of 7 withdrew his skepticism such as it was. 8 Q. And over your years in the 9 investment world, can you think of any 10 other investors, managers, who had 11 volatility that was like or better than 12 Mr. Madoff? 13 A. Yes. Certainly comparable. It 14 might even be better. 15 Q. Can you give us just some of the 16 names? 17 A. Well, there are managers who try 18 to run a low strategy and do so 19 effectively. So Steve Cohen did it a 20 period of time, Seth Klarman did it at 21 Baupost up in Boston, Millennium which is 22 run by Ezra Englander has had something 23 close to 90 percent of all months being up 24 and over a period of many, many years 25 it's -- it's done.</p>
<p style="text-align: right;">989</p> <p>1 Merkin - Cross - Confidential 2 silly, but that's the way I look at 3 things. I mean, I say, well, gee, so 4 Outlook doesn't recognize this as a 5 legitimate name. I basically look -- 6 you know what I mean? It's very -- 7 you just look around, that's how you 8 sort of see things, just by looking 9 at -- my approach to things is very 10 empirical. 11 "Question: Other than what 12 you've just described, was there any 13 other thoughts that went into your 14 writing that last sentence? 15 "Answer: No. No. I thought it 16 was humorous." 17 Mr. Merkin, in your discussions 18 with Mr. Teicher, did he ever indicate 19 that he knew what Mr. Madoff did? 20 A. No. 21 Q. Had he ever met Mr. Madoff? 22 A. No. 23 Q. Over time did you have a view of 24 Mr. Teicher's comments about Mr. Madoff? 25 A. Well, we didn't have that many</p>	<p style="text-align: right;">991</p> <p>1 Merkin - Cross - Confidential 2 Q. Now, you were also asked by 3 Mr. Susman about the Markopolis letter. 4 When was the first time you ever 5 heard about or saw the Markopolis letter? 6 A. My guess is sometime in the 7 first quarter of 2009 after the events of 8 December 11, 2008. 9 Q. And I think he referred to you 10 in that letter to someone from Goldman 11 Sachs. And you didn't know that 12 personally. 13 A. Correct. 14 Q. Did you ever have any 15 conversations with any people at Goldman 16 Sachs regarding Mr. Madoff? 17 A. Yes. 18 Q. What were the general nature of 19 those conversations? 20 A. Very favorable. 21 Q. Did anybody who was a Goldman 22 Sachs person invest with you? 23 A. Yes. We -- I previously 24 mentioned Jonathan Kolatch had been at 25 Goldman, was a very senior person there</p>

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